



**THE PREMIER SUGAR MILLS
& DISTILLERY CO. LIMITED,
MARDAN**

**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
MARCH 31, 2024**

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**THE PREMIER SUGAR MILLS & DISTILLERY CO., LIMITED,
MARDAN**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

COMPANY INFORMATION

Board of Directors

Begum Laila Sarfaraz	Chairperson
Mr. Abbas Sarfaraz Khan	Chief Executive
Ms. Zarmine Sarfaraz	Director
Mr. Iskander M. Khan	Director
Ms. Najda Sarfaraz	Director
Mr. Shahbaz Haider Agha	Independent Director
Ms. Shahida Ahmad	Independent Director

Company Secretary

Mr. Mujahid Bashir

Chief Financial Officer

Mr. Rizwan Ullah Khan

Head of Internal Audit

Mr. Zaheer Mir

Auditors

M/s. ShineWing Hameed Chaudhri & Co.,
Chartered Accountants

Tax Consultants

M/s. ShineWing Hameed Chaudhri & Co.,
Chartered Accountants

Legal Advisor

Mr. Isaac Ali Qazi
Advocate

Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Limited,
H.M. House, 7-Bank Square, Lahore.
Phone No. : 042-37235081 Fax No. : 042-37235083

Bankers

Bank Al-Habib Limited
MCB Bank Limited
Allied Bank Limited
Bank Al-Falah Limited
Habib Bank Limited
The Bank of Khyber
United Bank Limited
The Bank of Punjab
Soneri Bank Limited
National Bank of Pakistan

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

DIRECTORS REVIEW REPORT

The Directors are pleased to present the un-audited condensed interim financial information of the Company for the six months' period ended on March 31, 2024. This condensed interim financial information is presented to the shareholders of the Company in compliance with the International Accounting Standard No. 34 "Interim Financial Reporting", the Code of Corporate Governance, under Section 237 of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The enclosed financial information has been reviewed by the external auditors, as required by the Code of Corporate Governance.

OPERATIONAL PERFORMANCE

The sugarcane crushing season 2023-24 commenced on October 25, 2023. During the season 2023-24, the Mills crushed 130,269 tons of sugarcane and produced 12,477 tons of sugar till December 15, 2023. Unfortunately, the operations had to be closed for the season due to diversion of sugarcane towards tax free commercial Gur manufacturing. The mills found it financial unviable to continue operations at this elevated price, leading to closure.

FINANCIAL PERFORMANCE

The Company suffered loss after taxation of Rs. 298,255 million (2023: Profit Rs. 17,958 million) during the six months' period ended on March 31, 2024 due to high input costs, low supply of sugarcane and suppressed sale prices.

ECONOMICAL CHALLENGES

Currently, Pakistan's domestic sugar prices are almost half of the world prices, as many countries protect their sugar industries, resulting in higher domestic prices. This makes sugar in Pakistan one of the cheapest in the world. Given that sugarcane prices have been increasing by 20-25% annually over the past few years, it is logical that sugar prices should also rise similarly. It is essential for sugarcane prices to continue increasing to prevent farmers from switching to other crops, as sugarcane is already planted on less than 5% of the country's agricultural land. Government needs to stabilize sugar prices by taking various measures to reduce the gap between imported and local sugar prices so that growers can get better prices of their produce according to the international prices of the commodity and sugar industry can make reasonable profits.

DISTILLERY

Due to upgradation of Distillery Plant, No Ethanol produced during the period under review.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this half yearly condensed interim financial information are the same as applied in the preparation of the preceding annual financial statements of the Company.

ACKNOWLEDGEMENT

The Directors appreciate the spirit of good work done by the Company's staff at all levels and valuable support of our Bankers.

Mardan:
May 27, 2024

(ABBAS SARFARAZ KHAN)
Chief Executive

FOR AND ON BEHALF OF THE BOARD


(ISKANDER M. KHAN)
Director

دی پریسمیر شوگر ملز اینڈ ڈسٹری بیوٹی لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز کمیٹی کے غیر آڈٹ شدہ کنڈرلڈ عبوری مالیاتی معلومات کی ششماہی رپورٹ 31 مارچ 2024 کو چھ ماہ کے اختتام پر ہونے مسرت محسوس کرتے ہیں۔ یہ مختصر عبوری کنڈرلڈ انٹیرم مالیاتی معلومات حصص داروں کو آڈٹ شدہ رپورٹ نمبر 34 انٹیرم نقل رپورٹنگ، دی کوڈ آف کارپورٹ گورننس، کمپنیز ایکٹ 2017 کے سیکشن 237 اور سینڈ کمپنیز (کوڈ آف کارپورٹ گورننس) ریگولیشنز 2019 کے قواعد کے مطابق ہیں۔ منسلک مالیاتی معلومات کاغذی اور ڈیجیٹل فرم کے ذریعے جاری کوڈ آف کارپورٹ گورننس کے مطابق لیا گیا ہے۔

آپٹیمل کارکردگی

گئے کی کرٹنگ سیزن 24-2023 کا آغاز 25 ستمبر 2023 کو شروع ہوا۔ 15 ستمبر 2023 تک ملنے 130,269 ٹن گئے کو کرش کرتے ہوئے 12,477 ٹن چینی کی پیداوار کی۔ 4 مئی سے گئے کو ٹیکس فری کرش گزینیو ٹیکسٹ کی طرف موڑنے کی وجہ سے سیزن کیلئے آپریشن بند کرنا پڑا۔ ملنے اس قدر زیادہ قیمت پر کام جاری رکھنا ملٹی طور پر ناقابل عمل پایا جس وجہ سے وہ بند ہو گئے۔

مالیاتی کارکردگی

31 مارچ 2024 کو ختم ہونے والی شش ماہی کے دوران کمیٹی کا نقصان بعد از ٹیکس 298.255 ملین روپے (2023 میں منافع 17.958 ملین روپے تھا) جس کی وجہ اعلیٰ اپٹ اگت گئے کی کم سپلائی اور دینی ہوئی فروخت کی تھیں تھیں۔

حاشی چھپچھر

اس وقت پاکستان میں چینی کی مقامی قیمتیں عالمی قیمتوں کا تقریباً نصف ہیں، کیونکہ بہت سے ممالک اپنی چینی کی مصنوعات کو مختلف فراہم کرتے ہیں، جس کے نتیجے میں ملکی قیمتیں زیادہ ہوتی ہیں۔ اس سے پاکستان میں چینی دستی ترین چینی بن جاتی ہے۔ یہ دیکھتے ہوئے کہ چھپکے کچھ سالوں میں گئے کی قیمتوں میں 20 سے 25 فیصد سالانہ اضافہ ہو رہا ہے، منتظر ہے کہ چینی کی قیمتوں میں بھی اسی طرح اضافہ ہونا چاہیے۔ کاٹھکاروں کو دوسری فصلوں کی طرف جانے سے روکنے کیلئے گئے کی قیمتوں میں اضافہ جاری

رکنا ضروری ہے، کیونکہ ملک کی 5 فیصد سے بھی کم زرعی اراضی پر پھیلے ہی گئے کی کاشت کی جاتی ہے۔ حکومت کو برآمدی اور مقامی چینی کی قیمتوں کے درمیان فرق کو کم کرنے کیلئے مختلف اقدامات کرتے ہوئے چینی کی قیمتوں کو مستحکم کرنے کی ضرورت ہے تاکہ کاٹھکاروں کو اجناس کی بین الاقوامی قیمتوں کے مطابق اپنی پیداوار کی بہتر قیمتیں مل سکیں اور چینی کی صنعت مناسب مناسبت لگے۔

ڈسٹری

ڈسٹری پائرنٹ کی اپ گریڈیشن کی وجہ سے زریعہ جائزہ مدت کے دوران کوئی بھتھنوں کی پیداوار نہیں ہوئی۔

آڈٹنگ کی باتیاں

کمیٹی کی شش ماہی کنڈرلڈ انٹیرم مالیاتی معلومات کی تیاری کے دوران پنڈائی گڈ آڈٹنگ پالیسیاں وہی ہیں جو پچھلے سال سالانہ مالیاتی حسابات میں اپنائی گئی تھیں۔

اعتراف

ڈائریکٹرز نے کمیٹی کے عملے کی طرف سے کیے گئے ہر سطح پر اچھے کاموں کو سراہتے ہیں۔

منجانب بورڈ


اکتدر محمد خان

عباس سر فرزان خان

چیف ایگزیکٹو آفیسر

مردان

تاریخ: 27 مئی 2024

Independent Auditors' Review Report to the Members of The Premier Sugar Mills & Distillery Company Limited

Report on Review of Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **The Premier Sugar Mills & Distillery Company Limited** as at March 31, 2024 and the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, condensed interim unconsolidated statement of cash flows and notes to the condensed interim unconsolidated financial statements for the six month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the interim unconsolidated statement of profit or loss and other comprehensive income for the quarters ended March 31, 2024 and March 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended March 31, 2024.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is Osman Hameed Chaudhri.

LAHORE; May 29, 2024
UDIN: RR20241010417SQgDbN8

Shirwina Hameed Chaudhri & Co.

**SHINWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS**

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Unconsolidated Condensed Interim Statement of Financial Position

As At March 31, 2024

Assets	Un-audited March 31, 2024	Audited Sep. 30, 2023	Restated
Non-current Assets	(Rupees in thousand)		
Property, plant and equipment	2,707,607	2,409,696	19,901
Investment property	19,767	170,006	1,809
Long term investments	170,006	170,006	2,601,412
Security deposits	1,809	2,601,412	
Current Assets	122,774	114,587	134,622
Stores and spares	1,405,094	134,622	37,319
Stock-in-trade	75,125	37,319	198,534
Trade debts, unsecured - considered good	55,121	198,534	5,085
Advances	6,711	5,085	10,125
Trade deposits and short term prepayments	6,234	10,125	0
Other receivables	16,769	0	23,540
Sales tax refundable	44,412	23,540	120,095
Income tax refundable, advance tax tax deducted at source and prepaid tax levies	61,187	120,095	643,907
Bank balances	1,799,367	643,907	4,642
Non-current assets classified as held for sale	4,642	4,642	648,549
Total Assets	4,697,198	3,249,961	57,500
Equity and Liabilities	57,500	57,500	37,500
Share Capital and Reserves	37,500	37,500	1
Authorised capital	1	1	1,634,949
Issued, subscribed and paid-up capital	1	1	900,000
Capital reserves	1,567,749	1,634,949	(532,693)
- share redemption	900,000	900,000	(763,708)
- revaluation surplus on property, plant and equipment	(763,708)	(532,693)	1,741,502
General revenue reserve	1,741,502	2,097,757	0
Accumulated loss	0	0	3,402
Shareholders' Equity	358,985	7,211	39,132
Liabilities	42,861	42,861	264,060
Non-current Liabilities	673,117	673,117	420,731
Long term finances	358,985	7,211	177,429
Lease liabilities	7,211	42,861	15,780
Staff retirement benefits - gratuity	42,861	264,060	7,470
Deferred taxation	264,060	378,197	12,672
Current Liabilities	673,117	673,117	35
Trade and other payables	223,327	177,429	84,890
Contract liabilities	91	15,780	1,312,156
Unclaimed dividends	7,470	7,470	13,007
Accrued mark-up	84,890	12,672	35,040
Short term borrowings	1,312,156	35	249,508
Current portion of non-current liabilities	13,007	1,082	590,850
Provision for tax levies	50,788	35,040	2,955,696
Liabilities directly associated with non-current assets classified as held for sale	1,691,729	1,691,729	4,697,198
Total Liabilities	590,850	539,965	1,210,204
Contingencies and Commitments	2,955,696	1,210,204	3,249,961
Total Equity and Liabilities	4,697,198	3,249,961	4,697,198

The annexed notes 1 to 29 form an integral part of these unconsolidated condensed interim financial statements.

[Signature]

CHIEF EXECUTIVE

[Signature]

DIRECTOR

CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)

For The Quarter And Six Month Period Ended March 31, 2024

	Quarter ended		Six month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Restated	Restated	Restated	Restated
	----- Rupees in thousand -----			
17	195	187,535	511,532	1,006,865
17	(29)	(27,728)	(78,030)	(53,963)
18	166	159,807	433,502	952,902
18	(147,625)	(100,314)	(724,115)	(754,723)
	(147,459)	59,493	(290,613)	198,179
	(464)	(9,286)	(2,516)	(28,393)
	(44,158)	(32,377)	(74,165)	(49,577)
	80,716	21,443	92,917	26,023
	0	(3,475)	0	(19,146)
	(111,365)	35,798	(274,377)	127,086
	(91,950)	(50,752)	(122,267)	(82,496)
	(203,315)	(14,954)	(396,644)	44,590
	(10,318)	(3,896)	(15,748)	(12,212)
	(213,633)	(18,850)	(412,392)	32,378
	0	0	0	0
	46,845	(21,032)	114,137	(14,420)
	46,845	(21,032)	114,137	(14,420)
	(166,788)	(39,882)	(298,255)	17,958
	0	0	0	0
	(166,788)	(39,882)	(298,255)	17,958
	(44,48)	(10,64)	(79,53)	4,79

The annexed notes 1 to 29 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Unconsolidated Condensed Interim Statement of Cash Flows (Un-Audited)

For The Six Month Period Ended March 31, 2024

	Six month period ended	
	March 31, 2024	March 31, 2023
	(Rupees in thousand)	
Cash flows from operating activities	(396,644)	44,590
(Loss) / profit before income tax, minimum tax and final tax levies	113,602	53,281
Adjustments for non-cash charges and other items:	134	141
Depreciation on property, plant and equipment	(525)	(151)
Depreciation on investment property	(3,815)	(1,440)
Unclaimed payable balances written-back	3,729	(2,270)
Mark-up / profit on bank deposits and saving accounts	(68,755)	0
Staff retirement benefits - gratuity (net)	122,267	82,496
Dividend from Subsidiary Company	(230,007)	176,647
Finance cost		
(Loss) / profit before working capital changes		
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(6,187)	(4,990)
Stock-in-trade	(1,270,412)	(836,694)
Trade debts	(37,806)	(1,410)
Advances	143,413	(11,499)
Trade deposits and short term prepayments	(1,626)	(3,846)
Other receivables	3,891	(3,344)
Sales tax refundable	(16,769)	417
Increase in trade and other payables and contract liabilities	30,734	395,329
	(1,156,762)	(466,037)
	(1,386,769)	(288,390)
	(20,872)	(16,266)
	(1,407,641)	(305,656)
Cash used in operations		
Income taxes and levies paid	(411,513)	(5,409)
Net cash used in operating activities	0	(500)
Cash flows from investing activities	68,755	0
Security deposited	50,885	0
Dividend received	50,885	0
Advances received against non-current assets classified as held for sale	3,815	1,440
Mark-up / profit received on bank deposits and saving accounts	(288,058)	(4,469)
Net cash used in investing activities		
Cash flows from financing activities		
Long term finances obtained / (repaid)	369,736	(6,228)
Lease finances - net	4,983	2,333
Short term borrowings - net	1,312,121	321,529
Finance cost paid	(50,049)	(52,331)
Net cash generated from financing activities	1,636,791	265,302
Net decrease in cash and cash equivalents	(56,908)	(44,822)
Cash and cash equivalents - at beginning of the period	120,095	71,665
Cash and cash equivalents - at end of the period	61,187	26,843

The annexed notes 1 to 29 form an integral part of these unconsolidated condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
Unconsolidated Condensed Interim Statement Of Changes In Equity (Un-Audited)
For The Six Month Period Ended March 31, 2024

	Reserves				Total	
	Share capital	Capital	Revenue			
	Share redemption	Revaluation surplus on property, plant and equipment	General	Accumulated loss		
Balance as at September 30, 2023 (audited)	37,500	1	1,634,949	900,000	(532,693)	2,039,757
Total comprehensive loss for the six month period ended March 31, 2024	0	0	0	0	(298,255)	(298,255)
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	(67,200)	0	67,200	0
Balance as at March 31, 2024 (un-audited)	37,500	1	1,567,749	900,000	(763,748)	1,741,502
Balance as at September 30, 2022 (audited)	37,500	1	732,941	900,000	(652,946)	1,017,496
Total comprehensive income for the six month period ended March 31, 2023	0	0	0	0	17,958	17,958
Transfer from revaluation surplus on property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	0	0	(26,774)	0	26,774	0
Balance as at March 31, 2023 (un-audited)	37,500	1	706,167	900,000	(608,214)	1,035,454

The annexed notes 1 to 29 form an integral part of these unconsolidated condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
Notes to the unconsolidated condensed interim financial statements (Un-audited)
For The Six Month Period Ended March 31, 2024

1. Legal status and nature of business

The Premier Sugar Mills & Distillery Company Limited (the Company) was incorporated on July 24, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of white sugar and spirit. The Company's Mills and Registered Office are located at Mardan (Khyber Pakhtunkhwa) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Company has shifted its distillery from Mardan to Ramak, Dera Ismail Khan during the financial year ended September 30, 2020.

2. Basis of preparation

2.1 Statement of compliance

These unconsolidated condensed interim financial statements (the interim financial statements) have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim financial reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended September 30, 2023. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.3 These interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017. The figures for the six month period ended March 31, 2024 have, however, been subjected to limited scope review by the external Auditors.

2.4 Basis of measurement

These interim financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity), which is determined on the present value of defined benefit obligations determined by an independent actuary. Liabilities against assets subject to finance lease at present value of minimum lease payments and property, plant and equipment at revalued amounts assessed by an independent valuer.

2.5 Functional and presentation currency

These interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. Significant accounting policies

The accounting policies adopted for the preparation of these interim financial statements are the same as those applied in the preparation of audited financial statements of the Company as at and for the year ended September 30, 2023.

3.1 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (the Ordinance)); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

The aforesaid Guidance has been applied retrospectively by the Company and the comparative information has been restated, which has not affected current period or prior periods' net sales, profit after taxes and levies, equity and cash flows. Impact as of October 01, 2022 is not material to these condensed interim financial statements. In accordance with the requirements of IAS 1 (Presentation of Financial Statements), the balances as at September 30, 2023 have been restated and third statement of financial position as of October 01, 2022 has not been presented due to immaterial impact.

In the statement of profit or loss for the six month period ended March 31, 2023, in terms of the requirements of IFRIC 21 / IAS 37, minimum tax and final tax aggregating Rs.12.212 million, which were previously presented as current taxation have now been reclassified as "minimum and final tax levies".

In the statement of financial position as at September 30, 2023, in terms of the requirements of IFRIC 21 / IAS 37 "income tax refundable, advance tax and tax deducted at source" aggregating Rs.23.540 million has been rephrased as "income tax refundable, advance tax, tax deducted at source and prepaid tax levies" which include an amount of Rs.18.527 million representing prepaid tax levies.

Further, taxation amounting Rs.35.040 million as at September 30, 2023 has been rephrased as provision for tax levies.

3.2 Changes In Accounting Standards, Interpretations And Amendments To Published Approved Accounting Standards

a) Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting periods which began on October 01, 2023. However, these do not have any significant impact on the Company's financial reporting.

b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after October 01, 2024. However, these will not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

4. Accounting estimates and judgements

4.1 The preparation of these interim financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

4.2 In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended September 30, 2023.

4.3 The Company follows the practice of conducting actuarial valuation annually at the year-end. Hence, the impact of remeasurement of staff retirement benefits - gratuity has not been incorporated in these interim financial statements.

5. Property, plant and equipment

	Un-audited March 31, 2024 (Rupees in thousand)	Audited Sep. 30, 2023 (Rupees in thousand)
Operating fixed assets	2,304,602	2,409,696

Capital work-in-progress:

- advances for construction of building	24,505	0
- installation cost and advances against purchase of plant & machinery	148,826	0
Stores held for capital expenditure	229,674	0
	<u>2,707,607</u>	<u>2,409,696</u>

5.1 Operating fixed assets

Book value as at September 30, 2023 - audited

2,409,696

Additions during the period :

- furniture, fittings & office equipment

2,020

- leased vehicles (right of use assets)

6,488

Depreciation charge for the period

(113,602)

Book value as at March 31, 2024 - un-audited

2,304,602

6. Long term investments

Market values of the Company's quoted investments in Chashma Sugar Mills Ltd. (a Subsidiary Company) and Arpak International Investments Ltd. (an Associated Company) as at March 31, 2024 were Rs.866.313 million (September 30, 2023: Rs.782.569 million) and Rs.12.874 million (September 30, 2023: Rs.14.829 million) respectively.

	Un-audited March 31, 2024 (Rupees in thousand)	Audited Sep. 30, 2023
7. Stock-in-trade		
In-process		
- sugar	21,367	10,544
- molasses	4,522	0
	<u>25,889</u>	<u>10,544</u>
Finished goods:		
- sugar	1,274,851	124,078
- molasses	104,294	0
	<u>1,379,145</u>	<u>124,078</u>
	<u>1,405,034</u>	<u>134,622</u>
7.1		
Sugar inventory as at March 31, 2024 has been stated at net realisable value; the amount charged to statement of profit or loss in respect of inventory write-down to net realisable value worked-out to Rs.224.504 million approximately.		
8. Advances - considered good		
Due from Chashma Sugar Mills Ltd. (CSM - a Subsidiary Company)	40,885	150,161
Suppliers and contractors	6,586	42,939
Employees	7,650	5,434
	<u>55,121</u>	<u>198,534</u>
8.1		
Maximum amount due from CSM at any month-end during the period aggregated Rs.148.033 million (September 30, 2023: Rs.221.096 million).		
8.2		
No amount was due from key management personnel of the Company during the current period and preceding year.		
9. Other receivables		
Sugar export subsidy	2,991	2,991
Gas infrastructure development cess paid under protest - refundable	3,018	3,018
Lease rentals receivable from Premier Board Mills Ltd. (an Associated Company)	0	2,140
Others	225	1,976
	<u>6,234</u>	<u>10,125</u>

	Un-audited March 31, 2024 (Rupees in thousand)	Audited Sep. 30, 2023
10. Bank balances		
Cash at banks on:		
- PLS accounts	25,536	20,887
- current accounts	31,917	89,474
- deposit accounts	8,734	8,734
- deposits with a non-banking finance company - unsecured	0	6,000
	<u>66,187</u>	<u>125,095</u>
Less: provision for doubtful bank balance	5,000	5,000
	<u>61,187</u>	<u>120,095</u>
10.1		
These include deposits amounting Rs.3.734 million (September 30, 2023: Rs.3.734 million), which are under lien of a bank against guarantees issued in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Company.		
10.2		
The Securities and Exchange Commission of Pakistan winding-up petition filed against Innovative Investment Bank Ltd. was decided by the Lahore High Court, Lahore (LHC) and LHC appointed Joint Official Liquidators (JOLs). The Company, as per the LHC's orders upto November, 2020, had received three tranches aggregating Rs.33 million. The Company, during the current period, has received the final tranche of Rs.6 million from JOLs.		
10.3		
As detailed in note 14.5 to the audited financial statements of the Company for the year ended September 30, 2023, the execution petition for recovery of Rs.5 million with profit at the rate of 12.5% per annum from National Bank of Pakistan is still pending adjudication. Full provision for the said deposit exists in the books of account of the Company.		
11. Non-current assets classified as held for sale		
This represents commercial property (2nd and 3rd floors) situated at 20-A King's Arcade, F-7 Markaz, Islamabad with total area of 11,700 square feet along with fittings, fixtures and installations thereon having book value of Rs.4.642 million being sold to Chashma Sugar Mills Ltd.(a Subsidiary Company) at an agreed consideration of Rs.590.850 million.		
12. Long term finances - secured		
United Bank Ltd.	12.1	213,562
Soneri Bank Ltd.	12.2	156,174
		<u>369,736</u>
		0
Less: current portion grouped under current liabilities		10,751
		<u>358,985</u>

12.1 These finances have been obtained during the current period against a term finance facility of Rs.400 million to finance BMR activities with respect to capacity enhancement. The finance facility tenor is 5 years with grace period of one year from date of first disbursement. The finance facility carries mark-up at 3-months KIBOR + 250 basis points; the effective mark-up rate during the period was 23.80% per annum. The finance facility is secured against first pari passu charge on all fixed assets of the Company with 25% margin and cross corporate guarantee of Chashma Sugar Mills Ltd. (a Subsidiary Company).

12.2 These finances have been obtained during the current period against a term finance facility of Rs.600 million to finance CAPEX of distillery through import of brand new machinery with all accessories and installations. The finance facility tenor is six years including grace period of one year. Principal balance of finance facility will be repaid in 20 equal quarterly instalments after lapse of 15 months. Mark-up is payable on quarterly basis in arrears. These finances, during the period, carried mark-up at rates ranging from 23.46% to 24.34% per annum. The finance facility is secured against first equitable mortgage charge of Rs.600 million over land of the Company situated at Bagh-e-Eram, Mardan, registered first pari passu charge on plant & machinery of the Company for Rs.800 million and cross corporate guarantee of Rs.800 million of Chashma Sugar Mills Ltd. (a Subsidiary Company).

13. Trade and other payables

	Un-audited March 31, 2024	Audited Sep. 30, 2023
	(Rupees in thousand)	
Due to related parties :		
- Chashma Sugar Mills Ltd. (Subsidiary Company)	31,977	0
- The Frontier Sugar Mills & Distillery Ltd. (Subsidiary Company)	8	0
- Azlak Enterprises (Pvt.) Ltd. (Associated Company)	21,529	21,529
- Syntron Ltd. (Associated Company)	14,927	0
- Syntronics Ltd. (Associated Company)	157	157
Creditors	88,396	36,652
Accrued expenses	48,243	54,547
Due to employees	4,504	5,151
Deposits from contractors and others	993	958
Income tax deducted at source	2,752	2,892
Sales tax payable	43	45,682
Gratuity payable to ex-employees	4,028	4,116
Workers' (profit) participation fund	792	792
Workers' welfare fund	0	301
Employees' provident fund payable	4,374	4,228
Others	604	424
	223,327	177,429

14. Short term finances

Secured	Note	Un-audited March 31, 2024	Audited Sep. 30, 2023
(Rupees in thousand)			
- Bank Al Habib Ltd.		800,000	0
- The Bank of Khyber		300,000	0
- United Bank Ltd.		200,000	0
Unsecured			
Temporary bank overdraft		12,156	35
		1,312,156	35

15. Current portion of non-current liabilities

Long term finances	12	10,751	0
Lease liabilities		2,256	1,082
		13,007	1,082

16. Contingencies and commitments

16.1 Commitments against irrevocable letters of credit outstanding as at March 31, 2024 amounted Rs.183 million (September 30, 2023: Rs.198.704 million).

16.2 The Company's appeal filed before the Peshawar High Court (PHC) against order of the Customs, Sales Tax & Central Excise Appellate Tribunal is still pending adjudication. The Department had raised sales tax demand aggregating Rs.4.336 million along with additional tax. The Company, during the financial year ended September 30, 2005, had paid sales tax amounting Rs.2.123 million along with additional tax amounting Rs.0.658 million.

16.3 The Company's civil suit filed before the Civil Judge, Peshawar, challenging the demand of Gas Infrastructure Development Cess arrears through the impugned additional bills without determination of alleged passing on the burden to the end consumers, is still pending adjudication.

16.4 The Company's civil petition for leave to appeal filed before the Supreme Court of Pakistan is pending adjudication. The additional wage liabilities for unskilled workers aggregate Rs.2.359 million approximately.

16.5 The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-parte order passed by the Commissioner Inland Revenue (Appeals) [CIR(A)] was succeeded vide order dated March 29, 2018. The assessment order dated June 23, 2016 was passed by the Deputy Commissioner Inland Revenue (DCIR), Peshawar in violation of SRO 488(I)/2004 dated June 12, 2014; the Company claimed input tax to the tune of Rs.41.672 million against the supplies to unregistered persons. A withdrawal application has been filed before the ATIR, Peshawar in pursuance of the aforesaid rectification order.

16.6 The DCIR for the tax year 2013 initially had held the Company as taxpayer-in-default for non-deduction of tax on certain supplies / services and tax demand was raised at Rs.77.750 million under section 161 (Failure to pay tax collected or deducted) along with default surcharge of Rs.4.730 million under section 205 (Default surcharge) of the Income Tax Ordinance, 2001 (the Ordinance). The Company filed rectification application under section 221 of the Ordinance and the demand was reduced to Rs.237,360. Against the said demand, the Company had filed an appeal before the CIR(A), who dismissed the Company's appeal. Presently, the Company's appeal against the CIR(A)'s order is pending before the ATIR, Peshawar.

16.7 The Company has filed a writ petition before the PHC challenging Federal Government Order No.1(1) 2020 ROP dated July 16, 2021 and Provincial Government Order No.13/12-Sugar /IND /Vol-V / 7862 dated July 16, 2021 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 whereby the retail price of sugar at the rate of Rs.88.24 per kilo gram was fixed. The PHC, vide its order dated July 30, 2021, has allowed interim relief and ordered that in the meanwhile status quo be maintained.

16.8 The Company has filed a writ petition before the PHC challenging Federal Government Order F.No.2-8 / 2022 / SAB / A - IV dated April 20, 2023 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 read with Price Control and Prevention of Profiteering and Hoarding Order, 2021 dated August 24, 2021 whereby the retail price of sugar at the rate of Rs.98.82 per kilo gram and maximumex-mill price was fixed at the rate of Rs.95.57 per kilo gram. The PHC, vide its order dated June 06, 2023, has granted interim relief while the main writ petition is pending.

16.9 Various cases have been filed against the Company by some former employees. Based on the legal advice, no provision has been made in the books of account.

16.10 Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Company outstanding as at March 31, 2024 were for Rs.37,340 million (September 30, 2023: Rs.37,340 million). These guarantees are valid upto June 19, 2024.

	Quarter ended		Six month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
17. Sales				
Local	195	187,535	511,532	368,091
Export	0	0	0	638,774
	195	187,535	511,532	1,006,865
Less: sales tax	29	27,728	78,030	53,963
	166	159,807	433,502	952,902

18. Cost of sales

	Quarter ended		Six month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Raw materials consumed	950	394,412	1,662,194	1,345,749
Chemicals and stores consumed	895	22,064	23,418	35,306
Salaries, wages and benefits	57,218	54,846	132,352	107,372
Power and fuel	12,506	15,815	36,411	25,598
Insurance	573	564	2,611	2,146
Repair and maintenance	7,339	9,795	25,611	23,257
Depreciation	55,965	26,224	111,930	51,989
	135,446	523,720	1,994,527	1,591,417

Adjustment of sugar and molasses-in-process:

Opening	18,736	10,848	10,544	10,482
Closing	(25,889)	(9,057)	(25,889)	(9,057)
	(7,153)	1,791	(15,345)	1,425
Cost of goods manufactured	128,293	525,511	1,979,182	1,592,842

Adjustment of finished goods:

Opening stock	1,398,477	1,162,943	124,078	750,021
Closing stock	(1,379,145)	(1,588,140)	(1,379,145)	(1,588,140)
	19,332	(425,197)	(1,255,067)	(838,119)
	147,625	100,314	724,115	754,723

19. Distribution cost

Commission	0	124	187	244
Salaries, wages and amenities	433	1,564	2,214	2,550
Expenses on ethanol exports	0	7,598	0	25,599
Others	31	0	115	0
	464	9,286	2,516	28,393

20. Administrative expenses

	Quarter ended		Six month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	24,066	7,908	36,521	15,651
Salaries and amenities				
Travelling, vehicles' running and maintenance	1,002	1,050	1,824	2,040
Utilities	952	399	1,344	664
Rent, rates and taxes	853	535	4,442	1,561
Insurance	215	64	474	439
Repair and maintenance	8,324	18,312	15,515	20,323
Printing and stationery	1,023	1,127	2,147	1,947
Communication	440	377	798	635
Legal and professional charges (other than Auditors)	2,831	443	3,313	2,447
Subscription	262	236	529	442
Auditors' remuneration	434	509	434	509
Depreciation on:				
- operating fixed assets	1,014	552	1,672	1,292
- investment property	67	93	134	141
General office expenses	2,675	772	5,018	1,486
	44,158	32,377	74,165	49,577

21. Other income

	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Income from financial assets:				
Mark-up / interest / profit on bank deposits / saving accounts and certificates	3,304	970	3,815	1,440
Dividend from a Subsidiary Company	68,755	0	68,755	0
Income from other than financial assets:				
Rent	4	4	7	6
Unclaimed payable balances written-back	525	151	525	151
Sale of agricultural produce	7,859	7,393	18,513	11,501
Amortisation of government grant	0	1	0	1
Miscellaneous	269	12,924	1,302	12,924
	80,716	21,443	92,917	26,023

22. Other expenses

Exchange fluctuation loss	0	0	0	15,671
Workers' (profit) participation fund	0	2,398	0	2,398
Workers' welfare fund	0	967	0	967
Prior years' sales tax	0	110	0	110
	0	3,475	0	19,146

Quarter ended

March 31, 2024 March 31, 2023 March 31, 2024 March 31, 2023

----- Rupees in thousand -----

23. Finance cost

Mark-up on	14,060	0	14,060	43
-long term finances				
-short term finances	70,836	50,438	100,364	81,616
Lease finance charges	582	125	850	367
Bank charges	6,472	189	1,193	470
Corporate fee against disbursement of long term finance facility	0	0	5,800	0
	91,950	50,752	122,267	82,496

24. Provision for tax levies

Provision for tax levies for the current period comprised of tax due under sections 5 (Tax on dividends) and 113 (Minimum tax on the income of certain persons) of the Income Tax Ordinance 2001.

25. Operating segment

The Company's reportable segments are as follows:

- Sugar
- Distillery

25.1 Segment operating results for the six month period ended March 31, 2024

	Sugar Division		Ethanol Division		Total
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
	511,532	304,212	0	63,879	511,532
Sales					
- Local	0	0	0	638,774	0
- Export	511,532	304,212	0	702,653	511,532
	78,030	44,634	0	9,329	78,030
Less : sales tax	433,502	259,578	0	693,324	433,502
Sales - net	(680,915)	(282,684)	(43,200)	(472,039)	(754,723)
Cost of sales	(247,413)	(23,106)	(43,200)	(296,613)	(196,179)
Gross (loss) / profit	2,516	(2,794)	0	(25,599)	(28,393)
Distribution cost	(74,165)	(49,577)	0	(74,165)	(49,577)
Administrative expenses	(71,649)	(52,371)	0	(25,599)	(77,970)
(Loss) / profit form operations (segment results)	(319,062)	(75,477)	(43,200)	(195,696)	(437,294)
Other income	92,917	26,023	0	(19,146)	0
Other expenses	92,917	6,877	0	0	0
	(274,377)	127,086	0	(122,267)	(82,496)
Finance cost	(396,644)	44,950	0	(15,748)	(347,442)
(Loss) / profit before income tax, minimum tax and final tax levies	(412,392)	32,376	0	(14,137)	(374,153)
Minimum and final tax levies	(298,255)	17,956	0	0	(280,299)
(Loss) / profit after taxation					

	Assets		Liabilities	
	March 31, 2024	Sep. 30, 2023	March 31, 2024	Sep. 30, 2023
Sugar	4,181,239	3,031,516	2,934,167	1,188,651
Ethanol	515,959	218,445	21,529	21,553
Total for reportable segment	4,697,198	3,249,961	2,955,696	1,210,204

26. Transactions with related parties

The Company has related party relationship with its Subsidiary and Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with Subsidiary Companies and Associated Companies during the period were as follows:

	Un-audited	
	March 31, 2024	March 31, 2023
Subsidiary Companies:		
purchase of store items, molasses and bagasse	3,503	23,553
sale of store items	0	3,526
advance received against sale of property	10,000	0
dividend received	68,755	0
rental expense	57	57
expenses paid by the Company	2,149	3,671
expenses paid on behalf of the Company	31,027	81,687
advance against sale of molasses	0	116,900
Associated Companies		
purchase of store items	14,927	13,157
expenses paid on behalf of the Company	0	7,281
Key management personnel		
salaries and other benefits	16,409	3,834

26.1 Receivables from and payables to Subsidiary and Associated Companies have been disclosed in notes 8, 9 and 13 to these interim financial statements.

26.2 Return has not been charged on the current account balances of Subsidiary and Associated Companies as these have arisen due to normal trade dealings.

27. Financial risk management

27.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

These interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's financial statements as at and for the year ended September 30, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended September 30, 2023.

27.2 Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

28. Corresponding figures

The comparative unconsolidated condensed interim statement of financial position presented in these interim financial statements has been extracted from the audited financial statements of the Company for the year ended September 30, 2023, whereas the unconsolidated comparative condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the period ended March 31, 2023.

29. Date of authorisation for issue

These unconsolidated condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on May 27, 2024.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



THE PREMIER SUGAR MILLS & DISTILLERY CO. LIMITED, MARDAN

CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED MARCH 31, 2024

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED Consolidated Condensed Interim Statement of Financial Position As At March 31, 2024

	Un-audited March 31, 2024	Audited Sep. 30, 2023	Restated
	(Rupees in thousand)		
Assets			
Non-current assets			
Property, plant and equipment	26,799,513	26,796,376	
Right-of-use assets	374,819	328,202	
Investment property	24,409	24,543	
Long term investments	179,369	182,471	
Security deposits	17,185	16,985	
Deferred tax asset	39,073	10,100	
	<u>27,434,368</u>	<u>27,358,677</u>	
Current assets			
Stores and spares	968,967	962,775	
Stock-in-trade	23,910,341	5,513,065	
Trade debts	424,259	1,251,423	
Loans and advances	2,963,766	1,071,224	
Trade deposits, short term prepayments and other receivables	224,413	242,022	
Sales tax refundable	18,035	0	
Income tax refundable, advance tax, tax deducted at source and prepaid tax levies	331,900	209,518	
Short term investments	2,963	10,305	
Bank balances	685,184	950,611	
	<u>29,599,828</u>	<u>10,210,943</u>	
	<u>56,994,196</u>	<u>37,569,620</u>	
Total assets			
Equity and liabilities			
Share capital and reserves			
Authorised capital	57,500	57,500	
Issued, subscribed and paid-up capital	37,500	37,500	
Capital reserves			
- share redemption	1	1	
- revaluation surplus on property, plant and equipment	5,586,105	5,804,999	
General revenue reserve	1,010,537	1,010,537	
Unappropriated profit	2,483,500	2,342,927	
Equity attributable to equity holders of the Holding Company	<u>9,127,643</u>	<u>9,195,964</u>	
Non-controlling interest	<u>8,755,028</u>	<u>8,608,832</u>	
	<u>17,882,671</u>	<u>17,804,796</u>	
Non-current liabilities			
Long term finances	4,558,333	4,673,542	
Loans from related parties	130,611	156,854	
Lease liabilities	182,221	161,396	
Deferred liabilities	3,252,502	4,138,772	
	<u>8,123,667</u>	<u>9,130,564</u>	
Current liabilities			
Trade and other payables	2,331,972	1,595,489	
Contract liabilities	2,708,944	1,973,332	
Unclaimed dividends	7,470	7,470	
Accrued mark-up	1,494,732	746,754	
Short term borrowings	22,584,772	4,615,620	
Current portion of non-current liabilities	1,697,073	1,429,079	
Dividends payable to non-controlling interest	14,728	15,144	
Unpaid dividend	2,000	0	
Provision for tax levies	146,167	251,372	
	<u>30,987,868</u>	<u>10,634,260</u>	
	<u>39,111,525</u>	<u>19,764,824</u>	
Total liabilities			
Contingencies and commitments			
Total equity and liabilities	<u>56,994,196</u>	<u>37,569,620</u>	

The annexed notes 1 to 29 form an integral part of these consolidated condensed interim financial statements.

[Signature]
CHIEF EXECUTIVE

[Signature]
DIRECTOR

[Signature]
CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
Consolidated Condensed Interim Statement of Profit or Loss (Un-audited)
For The Quarter And Six Month Period Ended March 31, 2024

Note	Quarter ended		Six month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees in thousand			
	Restated	Restated	Restated	Restated
Sales				
- local	4,283,721	5,642,555	11,392,282	8,450,110
- export	1,759,838	3,302,130	4,006,839	5,118,346
	6,043,659	8,944,685	15,399,121	13,568,456
Less: sales tax, other government levies and discounts	(677,297)	(861,623)	(1,530,831)	(1,271,564)
Sales - net	5,366,362	8,083,062	13,868,290	12,296,892
Cost of sales	(4,318,830)	(6,005,645)	(11,128,436)	(9,379,812)
Gross profit	1,047,532	2,077,417	2,739,854	2,917,080
Selling and distribution expenses	(239,886)	(349,414)	(479,977)	(503,181)
Administrative and general expenses	(352,468)	(322,915)	(750,796)	(601,022)
Net impairment losses on financial assets	0	(34,128)	0	(34,128)
Other income	81,282	64,844	137,827	77,227
Other expenses	(44,061)	(43,298)	(10,118)	(64,726)
Profit from operations	492,379	1,392,506	1,636,790	1,791,250
Finance cost	(1,449,878)	(764,830)	(2,252,706)	(1,118,697)
	(957,499)	627,676	(615,916)	672,553
Share of loss from Associated Companies	9	0	(9,516)	(5,054)
(Loss) / profit before income tax, minimum tax and final tax levies	(957,499)	618,160	(628,524)	667,499
Minimum and final tax levies	(27,917)	(36,917)	(55,816)	(57,008)
(Loss) / profit before income tax Taxation	(985,416)	581,243	(684,340)	610,491
Group				
- current	55,856	(107,660)	(57,499)	(137,628)
- prior year	0	(41,938)	0	(41,938)
- deferred	164,088	10,883	271,001	86,971
	219,944	(138,715)	213,502	(92,595)
Associated Companies	9	0	6,081	(54)
	219,944	(132,634)	213,448	(92,617)
(Loss) / profit after taxation	(765,472)	448,609	(470,892)	517,874
Attributable to :				
- Equity Holders of the Holding Company	(526,038)	187,661	(371,170)	251,884
- Non-controlling interest	(239,434)	260,948	(99,722)	265,990
	(765,472)	448,609	(470,892)	517,874
Combined (loss) / earnings per share	(140.28)	50.04	(98.98)	67.17

The annexed notes 1 to 29 form an integral part of these consolidated condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED
Consolidated Condensed Interim
Statement of Other Comprehensive Income (Un-Audited)
For The Quarter And Six Month Period Ended March 31, 2024

	Quarter ended		Six month period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees in thousand			
(Loss) / profit after taxation	(765,472)	448,609	(470,892)	517,874
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income from Associated Companies	0	4,722	8,528	5,594
Deferred tax on surplus on revaluation of property, plant and equipment	611,912	0	611,912	0
Total comprehensive (loss) / income	(153,560)	453,331	149,548	523,468
Attributable to:				
- Equity holders of the Holding Company	(551,372)	192,837	(69,353)	257,478
- Non-controlling interest	397,812	260,494	218,901	265,990
	(153,560)	453,331	149,548	523,468

The annexed notes 1 to 29 form an integral part of these consolidated condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Consolidated Condensed Interim

Statement of Cash Flows (Un-audited)

For The Six Month Period Ended March 31, 2024

Six month period ended
March 31, 2024
March 31,
2023
(Rupees in thousand)

Cash flows from operating activities		
(Loss) / profit before income tax, minimum tax and final tax levies	(628,524)	667,499
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	961,281	719,492
Depreciation on right-of-use assets	38,934	36,070
Depreciation on investment property	134	141
Loss from Associated Companies	12,608	5,054
Mark-up / profit on bank deposits and saving accounts	(46,946)	(8,972)
Un-claimed payable balances written-back	(525)	(151)
Gain on sale of operating fixed assets	(8,639)	(60)
Gain on redemption and re-measurement of short term investments to fair value	(458)	(1,490)
Finance cost	2,252,706	1,118,697
	2,578,571	2,536,280

Profit before working capital changes

Effect on cash flows due to working capital changes

(Increase) / decrease in current assets

Stores and spares	(6,192)	(267,657)
Stock-in-trade	(18,397,276)	(11,089,372)
Trade debts	827,164	(1,702,889)
Loans and advances	(1,912,542)	(312,088)
Trade deposits, short term prepayments and other receivables	17,609	(559)
Sales tax refundable - net	(19,035)	0
Increase in trade and other payables and contract liabilities	1,471,789	3,328,959
	(18,017,483)	(10,043,616)
	(15,438,912)	(7,507,336)

Cash used in operations

Income taxes and levies paid

Security deposits

Staff retirement benefits - gratuity (net)

Net cash used in operating activities

Cash flows from investing activities

Additions to property, plant and equipment

Sale proceeds of operating fixed assets

Short term investments - made

- redeemed

Mark-up / profit received on bank deposits and saving accounts

Net cash used in investing activities

Cash flows from financing activities

Long term finances and loans from related parties - net

Lease liabilities - net

Government grant - net

Short term borrowings - net

Finance cost paid

Dividends paid

Net cash generated from financing activities

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents - at beginning of the period

Cash and cash equivalents - at end of the period

The annexed notes 1 to 29 form an integral part of these consolidated condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Consolidated Condensed Interim

Statement Of Changes In Equity (Un-Audited)

For The Six Month Period Ended March 31, 2024

Share capital	---Attributable to equity holders of the Holding Company---				Non-controlling interest	Total equity
	Reserves			Total		
	Capital	General revenue	Unappropriated profit			

Balance as at September 30, 2023 37,500 1 5,804,999 1,010,537 2,342,927 9,195,964 8,608,832 17,804,796

Transaction with owners:

Cash dividend at the rate of Rs.5.00 per ordinary share for the year ended September 30, 2023 0 0 0 0 0 0 (72,705) (72,705)

Total comprehensive income:

Loss for the six month period ended March 31, 2024 0 0 0 0 (371,170) (99,722) (470,892)

Other comprehensive income 0 0 0 0 301,817 318,623 620,440

Effect of items directly credited in equity by Associated Companies 0 0 0 0 (69,353) (218,901) 149,548

Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation) 0 0 0 0 218,984 164,302 383,196

- on account of incremental depreciation for the period of six month ended March 31, 2024 0 0 (218,894) 0 (218,894) (164,302) (383,196)

Balance as at March 31, 2024 37,500 1 5,886,105 1,010,537 2,493,500 9,127,643 8,755,028 17,882,671

Balance as at September 30, 2022 37,500 1 4,863,539 1,010,537 1,223,171 6,834,748 6,588,892 13,423,640

Total comprehensive income:

Profit for the six month period ended March 31, 2023 0 0 0 0 251,884 265,990 517,874

Other comprehensive income 0 0 0 0 5,594 5,594 0 5,594

Effect of items directly credited in equity by Associated Companies 0 0 0 0 257,478 257,478 265,990 523,468

Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation) 0 0 0 0 196,758 156,758 140,662 297,420

- on account of incremental depreciation for the period of six month ended March 31, 2023 0 0 (156,758) 0 0 (156,758) (140,662) (297,420)

Balance as at March 31, 2023 37,500 1 4,406,781 1,010,537 1,638,086 7,092,905 6,854,882 13,947,787

The annexed notes 1 to 29 form an integral part of these consolidated condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

For The Six Month Period Ended March 31, 2024

1. **The Group and its operations**
 - 1.1 **The Premier Sugar Mills & Distillery Company Ltd.** (the Holding Company)

The Holding Company was incorporated on July 24, 1944 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. The Holding Company is principally engaged in manufacture and sale of white sugar and spirit. The Holding Company's Mills and Registered Office are located at Mardan (Khyber Pakhtunkhwa) whereas the Head Office is situated at King's Arcade, 20-A, Markaz F-7, Islamabad. The Holding Company has shifted its distillery from Mardan to Ramak, Dera Ismail Khan during the financial year ended September 30, 2020.
 - 1.2 **Subsidiary Companies and Sub-subsiary Companies**
 - (a) **Chashma Sugar Mills Ltd. (CSML)**

CSML was incorporated in Pakistan on May 05, 1988 as a Public Limited Company, under the repealed Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017 on May 30, 2017) and commenced its commercial production from October 01, 1992. CSML has its shares quoted on the Pakistan Stock Exchange Ltd. CSML is principally engaged in manufacturing, production, processing, compounding, preparation and sale of sugar, other allied compound, intermediates and allied products. CSML is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd. The head office of CSML is situated at King's Arcade, 20-A, Markaz F-7, Islamabad and its manufacturing facilities are located at Dera Ismail Khan, Khyber Pakhtunkhwa.

The Holding Company directly and indirectly controls / beneficially owns more than fifty percent of CSML's paid-up capital and also has the power to elect and appoint more than fifty percent of its directors; accordingly, CSML has been treated a Subsidiary with effect from the financial year ended September 30, 2010.
 - (b) **Whole Foods (Pvt.) Ltd. (WFPL)**

WFPL - 100% owned Subsidiary of CSML was incorporated in Pakistan as a Private Limited Company under the Companies Act, 2017 on October 26, 2017. The principal activity of WFPL is to set-up, manage, supervise and control the storage facilities for agricultural produce. WFPL is yet to commence its operations.
 - (c) **Ultimate Whole Foods (Pvt.) Ltd. (UWFPL)**

UWFPL (Subsidiary of CSML) was incorporated in Pakistan as a Private Limited Company under the Companies Act, 2017 on May 17, 2021. The objective of UWFPL is to set-up mills for milling wheat, gram, other grains and other allied products and by-products from flour. CSML holds 84% shares of UWFPL.

(d) **The Frontier Sugar Mills and Distillery Ltd. (FSM)**

FSM was incorporated on March 31, 1938 as a Public Company and its shares were quoted on all the Stock Exchanges of Pakistan; FSM was delisted from the Stock Exchanges as detailed in paragraph 1.2(c) to the consolidated financial statements for the year ended September 30, 2023. The principal activity of FSM was manufacturing and sale of white sugar and its Mills and Registered Office are located at Takht-I-Bhai, Mardan (Khyber Pakhtunkhwa). FSM is a Subsidiary of The Premier Sugar Mills & Distillery Company Ltd.

Going concern basis

The financial statements of FSM have been prepared on going concern basis despite the uncertainties detailed below that may cast doubt about FSM's ability to continue as a going concern:

- FSM's production facilities are closed since the year 2008 due to diversion of entire sugarcane crop to Gur making;
- the small size of the plant is not economical to run; and
- FSM has been suffering losses over the years; accumulated loss as at March 31, 2024 aggregated Rs.139.393 million.

The financial statements of FSM have been prepared on going concern basis as the management is exploring different avenues / options for future purposes, which include but are not limited to flour mills and other industrial / commercial projects. The management is of the view that with the start of these projects, FSM will be able to cover losses and continue as a going concern. FSM is in possession of property, plant and equipment having carrying values of Rs.1.148 billion at the reporting date, which may be utilised for proposed future projects. Further, being part of Premier Group of Companies, FSM also enjoys financial backing from the Group.

1.3 For the purpose of these condensed interim consolidated financial statements, the Holding Company, CSML and its Subsidiaries and FSM are referred to as the Group.

2. Basis of preparation

2.1 Statement of compliance

These condensed interim consolidated financial statements (the interim consolidated financial statements) for six month period ended March 31, 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended September 30, 2023. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements.

2.3 These interim consolidated financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017.

2.4 Basis of measurement

These interim consolidated financial statements have been prepared under the historical cost convention except for the Group's liability under defined benefit plans (gratuity), which is determined on the present value of defined benefit obligations determined by independent actuaries, liabilities against assets subject to finance lease at present value of minimum lease payments and property, plant and equipment at revalued amounts assessed by independent Valuers.

2.5 Functional and presentation currency

These interim consolidated financial statements are presented in Pak Rupees, which is also the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. Significant accounting policies

The accounting policies adopted for the preparation of these interim consolidated financial statements are the same as those applied in the preparation of audited consolidated financial statements of the Group as at and for the year ended September 30, 2023.

3.1 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

The Institute of Chartered Accountants of Pakistan (ICAP) issued the aforementioned Guidance through Circular No. 07 / 2024 dated May 15, 2024. In light of the said Guidance, as the minimum taxes and final taxes are not calculated on the 'taxable income' as defined in IAS 12 (Income Taxes) but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (the Ordinance); accordingly, minimum taxes and final taxes should be accounted for under IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) / IFRIC 21 (Levies) as levies (though these are charged under tax law) and not under IAS 12 as income taxes. Based on the Guidance, the minimum taxes under the Ordinance are hybrid taxes, which comprise of a component within the scope of IAS 12 and a component within the scope of IFRIC 21.

The aforesaid Guidance has been applied retrospectively by the Group and the comparative information has been restated, which has not affected current period or prior periods' net sales, profit after taxes and levies, equity and cash flows. Impact as of October 01, 2022 is not material to these condensed consolidated interim financial statements. In accordance with the requirements of IAS 1 (Presentation of Financial Statements), the balances as at September 30, 2023 have been restated and consolidated third statement of financial position as of October 01, 2022 has not been presented due to immaterial impact.

In the consolidated statement of profit or loss for the six month period ended March 31, 2023, in terms of the requirements of IFRIC 21 / IAS 37, minimum tax and final tax aggregating Rs.57,008 million, which were previously presented as current taxation have now been reclassified as "minimum and final tax levies".

In the statement of financial position as at September 30, 2023, in terms of the requirements of IFRIC 21 / IAS 37 "income tax refundable, advance tax and tax deducted at source" aggregating Rs.209,518 million has been rephrased as "income tax refundable, advance tax, tax deducted at source and prepaid tax levies" which include an amount of Rs.140,749 million representing prepaid tax levies.

Further, taxation amounting Rs.251,372 million as at September 30, 2023 has been rephrased as provision for tax levies.

3.2 Changes In Accounting Standards, Interpretations And Amendments To Published Approved Accounting Standards

a) Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Group annual accounting periods which began on October 01, 2023. However, these do not have any significant impact on the Group's financial reporting.

b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after October 01, 2024. However, these will not have any material impact on the Group's financial reporting and, therefore, have not been disclosed in these interim consolidated financial statements..

4. Accounting estimates and judgements

4.1 The preparation of these interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

4.2 In preparing these interim consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended September 30, 2023.

4.3 The Holding Company and CSM follow the practice of conducting actuarial valuation annually at the year-end; hence, the impact of remeasurement of staff retirement benefits - gratuity has not been incorporated in the books of account of the Holding Company and CSM.

5. Principles of consolidation

These interim consolidated financial statements have been prepared under the historical cost convention except as otherwise stated .

These interim consolidated financial statements include the financial statements of the Holding Company, consolidated financial statements of CSML and the financial statements of FSM as at and for the six month period ended March 31, 2024. The Holding Company's direct interest, as at March 31, 2024 and September 30, 2023, in CSML was 47.93% and in FSM was 82.49%.

Investments in Associated Companies, as defined in the Companies Act, 2017, are accounted for by the equity method.

Non-controlling interest is calculated on the basis of their proportionate share in the net assets of the Subsidiary Companies.

Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All significant inter-company transactions, balances, income and expenses on transactions between Group Companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated.

6. Seasonality of operations

Due to seasonal nature of sugar segment of the Group, operating results of the Group are expected to fluctuate in the second half of the year in comparison with the first six month of the year.

7. Property, plant and equipment

	Un-audited March 31, 2024 (Rupees in thousand)	Audited Sep. 30, 2023 (Rupees in thousand)
Operating fixed assets	25,252,002	23,253,239
Capital work-in-progress	1,547,511	3,543,137
	<u>26,799,513</u>	<u>26,796,376</u>

7.1 Operating fixed assets

Book value as at September 30, 2023 - audited

Additions during the period:

- buildings and roads	1,338,541
- plant and machinery	1,329,306
- electric installations	231,429
- office equipment	38,720
- farm equipment	73
- furniture and fixtures	15,431
- vehicles	12,334
- transfers from right of use assets to owned	21,925
	<u>2,987,759</u>

Book value of operating fixed assets

disposed-off during the period

Depreciation charge for the period

Book value as at March 31, 2024 - un-audited

	(27,715)
	(961,281)
	<u>25,252,002</u>

7.2 Capital work-in-progress

	Note	Un-audited March 31, 2024 (Rupees in thousand)
At beginning of the period		3,543,137
Add: additions during the period	7.3	1,375,101
Less: capitalised / adjusted during the period		(3,370,727)
Balance at end of the period		<u>1,547,511</u>

7.3 Additions during the period

- land and buildings	308,790
- plant and machinery	177,627
- electric installations	52,941
- vehicles - owned	5,424
- leased	42,195
- capital stores	460,196
- advance payments to contractors	288,923
- advance payments against freehold land and buildings	39,005
	<u>1,375,101</u>

8. Right-of-use assets

Book value at beginning of the period - audited

Additions during the period

Transfers from right of use assets to owned

Depreciation charge for the period

Book value at end of the period - un-audited

	328,202
	107,476
	(21,925)
	(38,934)
	<u>374,819</u>

9. Long term investments

Investments in equity instruments of Associated Companies

Balance at beginning of the period - cost

Add: post acquisition profit brought forward

Add: share for the period:

- loss

- ~~other~~ comprehensive income

- items directly credited in equity

Less: taxation

	5,638
	176,833
	182,471
	(12,608)
	8,528
	1,032
	(54)
	<u>(3,102)</u>

Balance at end of the period - un-audited

10. Stores and spares

10.1 FSM has not carried-out manufacturing operations during the current period and prior years. The management, during the financial year ended September 30, 2021, had carried out a detailed exercise to identify obsolete / damaged stores and spares inventory. Carrying values of the stores and spares inventory were adjusted accordingly.

	179,369
--	---------

10.2 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

	Note	Un-audited March 31, 2024 (Rupees in thousand)	Audited Sep. 30, 2023 (Rupees in thousand)
11. Stock-in-trade			
Finished goods:			
- sugar	11.1	17,640,560	3,376,656
- molasses	11.2	4,055,036	1,129,284
- ethanol		696,506	742,952
- bagasse	11.2	415,772	36,569
- wheat flour - UWFPL		58,350	0
		<u>22,866,224</u>	<u>5,285,461</u>
Work-in-process		46,163	26,837
Raw material - wheat (UWFPL)		<u>997,954</u>	<u>200,767</u>
		<u>23,910,341</u>	<u>5,513,065</u>

11.1 In case of Holding Company, sugar inventory as at March 31, 2024 valuing Rs.1,274,851 thousand has been stated at net realisable value; the amount charged to statement of profit or loss in respect of inventory write-down to net realisable value worked-out to Rs.224,504 million approximately.

11.2 Molasses and bagasse are used both for internal consumption as well as for sales to external parties.

11.3 In case of CSM and its Subsidiaries, certain short term and long term borrowings are secured by way of collateral charge on stock-in-trade.

12. Trade debts - unsecured		
Considered good		0
Due from related parties		424,259
Others		1,250,973
		<u>3,333</u>
Considered doubtful		427,592
		<u>3,333</u>
		<u>424,259</u>
Less: loss allowance		1,254,756
		<u>3,333</u>
		<u>424,259</u>

13. Loans and advances		
Advances to: (unsecured and considered good)		
- employees		22,583
- suppliers and contractors		2,989,842
Letters of credit		1,084
		<u>11,156</u>
		<u>3,013,509</u>
Less:		
- provision for doubtful advances		28,838
- loss allowance		905
		<u>29,743</u>
		<u>2,983,766</u>
		<u>1,071,224</u>

	Un-audited March 31, 2024 (Rupees in thousand)	Audited Sep. 30, 2023 (Rupees in thousand)
14. Trade deposits, short term prepayments and other receivables		
Sugar export subsidy receivable	308,510	308,510
Prepayments	14,295	15,433
Excise duty deposits	136	136
Gas infrastructure development cess paid under protest - refundable	3,018	3,018
Lease rentals receivable from an Associated Company (Premier Board Mills Ltd.)	0	2,140
Guarantees issued	15,000	15,000
Deposits	8,876	8,876
Deposits against decretal amounts	2,862	2,862
Accrued mark-up on term deposit receipts	4,549	1,520
Insurance claim receivable	13,741	33,746
Other receivables	9,208	6,563
	<u>380,195</u>	<u>397,804</u>
Less: loss allowance	(155,782)	(155,782)
	<u>224,413</u>	<u>242,022</u>

15. Short term investments - At fair value through profit or loss

Al Habib Cash Fund	
Opening balance - 100,402 Units	
(September 30, 2023: 247,315 Units)	10,305
Gain on redemption / re-measurement to fair value	458
Bonus received during the period / year - 4,807 Units	0
(September 30, 2023: 26,752 Units)	
Units redeemed during the period / year - 76,193 Units	(7,800)
(September 30, 2023: 173,665 Units)	
Closing balance - 29,016 Units (2023: 100,402 Units)	2,963
	<u>10,305</u>

16. Bank balances

16.1 Bank balances include deposits amounting Rs.3.734 million (September 30, 2023: Rs.3.734 million), which are under lien of a bank against guarantees issued in favour of Sui Northern Gas Pipelines Ltd. on behalf of the Holding Company.

16.2 The Securities and Exchange Commission of Pakistan winding-up petition filed against Innovative Investment Bank Ltd. was decided by the Lahore High Court, Lahore (LHC) and LHC appointed Joint Official Liquidators (JOLs). The Holding Company and FSM, as per the LHC's orders upto November, 2020, had received three tranches aggregating Rs.66 million. The Holding Company and FSM, during the current period, have received the final tranches aggregating Rs.12 million from JOLs.

16.3 As detailed in note 17.6 to the audited consolidated financial statements of the Group for the year ended September 30, 2023, the execution petition for recovery of Rs.5 million with profit at the rate of 12.5% per annum from National Bank of Pakistan is still pending adjudication. Full provision for the said deposit exists in the books of account of the Holding Company.

	Un-audited March 31, 2024	Audited Sep. 30, 2023
17. Long term finances - secured		
The Holding Company		
United Bank Ltd.	213,562	0
Soneri Bank Ltd.	156,174	0
	369,736	0

	Un-audited March 31, 2024	Audited Sep. 30, 2023
CSML and its Subsidiaries		
Bank Al-Habib Ltd.	2,790,112	2,818,700
Soneri Bank Ltd.	1,203,676	933,703
Dubai Islamic Bank Pakistan Ltd.	0	250,000
MCB Bank Ltd.	568,220	698,783
Al-Baraka Bank (Pakistan) Ltd.	390,425	445,493
The Bank of Khyber United Bank Ltd.	347,587	382,692
	421,875	450,000
	5,721,895	5,979,371
	6,091,631	5,979,371

Less: Amounts payable within next 12 months
grouped under current liabilities - principal
- The Holding Company
- CSML and its Subsidiaries

Amount due after March 31, 2025

	10,751	0
	1,522,547	1,305,829
	1,533,298	1,305,829
	4,558,333	4,673,542

17.1 These finances have been obtained by the Holding Company during the current period against a term finance facility of Rs.400 million to finance BMR activities with respect to capacity enhancement. The finance facility tenor is 5 years with grace period of one year from date of first disbursement. The finance facility carries mark-up at 3-months KIBOR + 250 basis points; the effective mark-up rate during the period was 23.80% per annum. The finance facility is secured against first pari passu charge on all fixed assets of the Holding Company with 25% margin and cross corporate guarantee of CSML.

17.2 These finances have been obtained by the Holding Company during the current period against a term finance facility of Rs.600 million to finance CAPEX of distillery through import of brand new machinery with all accessories and installations. The finance facility tenor is six years including grace period of one year. Principal balance of finance facility will be repaid in 20 equal quarterly instalments after lapse of 15 months. Mark-up is payable on quarterly basis in arrears. These finances, during the period, carried mark-up at rates ranging from 23.46% to 24.34% per annum. The finance facility is secured against first equitable mortgage charge of Rs.600 million over land of the Holding Company situated at Bagh-e-Eram, Mardan, registered first pari passu charge on plant & machinery of the Holding Company for Rs.800 million and cross corporate guarantee of Rs.800 million of CSML.

17.3 These represent term and demand finance obtained by CSML and its Subsidiaries from the aforesaid banks and are repayable in 5-7 years with varied grace period. The rate of mark-up ranges from KIBOR + 1% per annum to KIBOR + 1.75% per annum and SBP rate + 1.5%. These are secured against first / joint pari passu hypothecation charge over all present and future movable fixed assets of CSML and its Subsidiaries along with first / joint pari passu charge by way of equitable mortgage on all present and future immovable fixed assets of CSML and its Subsidiaries and TDR of Rs.450 million with 25% margin.

	Un-audited March 31, 2024	Audited Sep. 30, 2023
18. Loans from related parties - secured		
Associated Companies		
Premier Board Mills Ltd.	18.1	71,840
Arpak International Investments Ltd.	18.2	31,250
Aziak Enterprises (Pvt.) Ltd.	18.3	85,000
	172,472	188,090
	41,861	31,236
	130,611	156,854

Less: amount payable within next twelve months

18.1 This includes long term finance facilities obtained by CSML and its Subsidiary.

The long term finance facility was renewed on November 04, 2019. The principal is repayable in 7 semi annual instalments commenced from November, 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. This loan is secured against promissory note from CSML.

Long term finance facility amounting to Rs. 25 million was obtained during the year by the Subsidiary of CSML.

The principal is repayable in 8 semi annual instalments commenced from December, 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. These loans are secured against promissory note from the Subsidiary of CSML.

18.2 The long term finance facility was renewed on November 04, 2019. The principal is repayable in 7 semi annual instalments commenced from November, 2022. The rate of mark-up is one month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. This loan is secured against promissory note from CSML and its Subsidiaries.

18.3 The long term finance facility has been renewed on January 03, 2022. The principal is repayable in 8 semi annual instalments commencing from December, 2024. The rate of mark-up is one month KIBOR + 1.25%, provided the mark-up charged by the associated company is not less than the borrowing cost of the associated company. This loan is secured against promissory note from CSML.

	Un-audited March 31, 2024 Rupees in thousand
19. Lease liabilities - secured	
Balance at beginning of the period (audited)	253,410
Additions during the period	75,372
Unwinding of interest on lease liabilities	30,905
Payments / adjustments made during the period	(79,860)
Balance at end of the period (un-audited)	279,827
Less: current portion grouped under current liabilities	(97,606)
	182,221

	Un-audited March 31, 2024 (Rupees in thousand)	Audited Sep. 30, 2023
20. Deferred liabilities		
Deferred taxation		
- The Holding Company	264,060	378,197
- FSM	4,429	4,429
- CSML	2,880,894	3,620,702
	3,149,383	4,003,328

	Un-audited March 31, 2024 (Rupees in thousand)	Audited Sep. 30, 2023
Staff retirement benefits - gratuity		
- The Holding Company	42,861	39,132
- FSM	66	66
- CSML	22,042	19,965
	64,969	59,163

	Un-audited March 31, 2024 (Rupees in thousand)	Audited Sep. 30, 2023
Government grant - CSML		
	38,150	76,281
	3,252,502	4,138,772

	March 31, 2024 (Rupees in thousand)	Sep. 30, 2023 (Rupees in thousand)
21. Trade and other payables		
Creditors	1,507,671	559,733
Due to Associated Companies	173,957	166,809
Accrued expenses	169,548	200,777
Retention money	46,787	39,839
Security deposits - interest free repayable on demand	1,320	2,278
Income tax deducted at source	91,493	105,758
Sales tax payable	186,708	292,392
Gratuity payable to ex-employees	5,831	5,919
Advance received against sale of scrap	2,024	2,024
Payable for workers' welfare obligations	41,951	113,424
Workers' (profit) participation fund	2,994	792
Payable to provident fund	11,183	12,687
Payable to employees	69,373	63,382
Others	21,131	29,674
	2,331,971	1,595,488

21.1 This represents amounts due to the following related parties and are interest free and payable on demand:

Associated Companies	39,593	46,672
- Azlak Enterprises (Pvt.) Ltd.	157	157
- Syntronics Ltd.	34,207	0
- Syntron Ltd.	0	55
- Phipson & Company Pakistan (Pvt.) Ltd.	100,000	119,925
Directors	173,957	166,809

22. Short term borrowings	Un-audited	Audited
	March 31,	Sep. 30,
	2024	2023
The Holding Company :	(Rupees in thousand)	
Secured	1,300,000	0
Unsecured - temporary bank overdraft	12,156	35
CSML :		
Cash / running finances and	21,272,616	4,615,585
export re-finances - secured	<u>22,584,772</u>	<u>4,615,620</u>

Note

22.1 These cash finance and export re-finance facilities are repayable in six months to one year period. The rate of mark-up ranges from KIBOR 1% to 2% per annum and SBP rate + 1.25% and are secured against pledge of sugar stock with margin ranging from 10% to 25%, lien on export contracts / LCs and import documents.

23. Current portion of non-current liabilities

Long term finances	17	1,533,298	1,305,829
Loans from related parties	18	41,861	31,236
Lease liabilities	19	97,606	92,014
Deferred government grant		24,308	0
		<u>1,697,073</u>	<u>1,429,079</u>

24. Contingencies and commitments

24.1 The Holding Company

24.1 Commitments against irrevocable letters of credit outstanding as at March 31, 2024 amounted Rs.183 million (September 30, 2023: Rs.198,704 million).

24.2 The Holding Company appeal filed before the Peshawar High Court (PHC) against order of the Customs, Sales Tax & Central Excise Appellate Tribunal is still pending adjudication. The Department had raised sales tax demand aggregating Rs.4.336 million along with additional tax. The Holding Company, during the financial year ended September 30, 2005, had paid sales tax amounting Rs.2.123 million along with additional tax amounting Rs.0.658 million.

24.3 The Holding Company civil suit filed before the Civil Judge, Peshawar, challenging the demand of Gas Infrastructure Development Cess arrears through the impugned additional bills without determination of alleged passing on the burden to the end consumers, is still pending adjudication.

24.4 The Holding Company civil petition for leave to appeal filed before the Supreme Court of Pakistan is pending adjudication. The additional wage liabilities for unskilled workers aggregate Rs.2.359 million approximately.

24.5 The sales tax appeal filed before the Appellate Tribunal Inland Revenue (ATIR), Peshawar against ex-parte order passed by the Commissioner Inland Revenue (Appeals) [CIR(A)] was succeeded vide order dated March 29, 2018. The assessment order dated June 23, 2016 was passed by the Deputy Commissioner Inland Revenue (DCIR), Peshawar in violation of SRO 488(I)/2004 dated June 12, 2014; the Holding Company claimed input tax

to the tune of Rs.41.672 million against the supplies to unregistered persons. A withdrawal application has been filed before the ATIR, Peshawar in pursuance of the aforesaid rectification order.

24.6 The DCIR for the tax year 2013 initially has held the Holding Company as taxpayer-in-default for non-deduction of tax on certain supplies / services and tax demand was raised at Rs.77.750 million under section 161 (Failure to pay tax collected or deducted) along with default surcharge of Rs.4.730 million under section 205 (Default surcharge) of the Income Tax Ordinance, 2001 (the Ordinance). The Holding Company filed rectification application under section 221 of the Ordinance and the demand was reduced to Rs.237.360. Against the said demand, the Holding Company has filed an appeal before the CIR(A), who dismissed the Holding Company's appeal. Presently, the Holding Company's appeal against the CIR(A)'s order is pending before the ATIR, Peshawar.

24.7 The Holding Company has filed a writ petition before the PHC challenging Federal Government Order No.1(1) 2020 ROP dated July 16, 2021 and Provincial Government Order No.13/12-Sugar /IND / Vol-V / 7862 dated July 16, 2021 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 whereby the retail price of sugar at the rate of Rs.88.24 per kilo gram was fixed. The PHC, vide its order dated July 30, 2021, has allowed interim relief and ordered that in the meanwhile status quo be maintained.

24.8 The Holding Company has filed a writ petition before the PHC challenging Federal Government Order F.No.2-8 / 2022 / SAB / A - IV dated April 20, 2023 issued under section 6 of the Price Control and Prevention of Profiteering and Hoarding Act, 1977 read with Price Control and Prevention of Profiteering and Hoarding Order, 2021 dated August 24, 2021 whereby the retail price of sugar at the rate of Rs.98.82 per kilo gram and maximum ex-mill price was fixed at the rate of Rs.95.57 per kilo gram. The PHC, vide its order dated June 06, 2023, has granted interim relief while the main writ petition is pending.

24.9 Various cases have been filed against the Holding Company by some former employees. Based on legal advice, no provision has been made in the books of account.

24.10 Guarantees given to Sui Northern Gas Pipelines Ltd. by commercial banks on behalf of the Holding Company outstanding as at March 31, 2024 were for Rs.37.340 million (September 30, 2023: Rs.37.340 million). These guarantees as valid upto June 19, 2024.

FSM

24.11 There has been no significant change in the status of contingencies as disclosed in notes 30.11 and 30.12 to the audited consolidated financial statements of the Group for the year ended September 30, 2023.

CSML and its Subsidiaries

24.12 There has been no significant change in the status of contingencies as disclosed in notes 30.14 to 30.25 to the audited consolidated financial statements of the Group for the year ended September 30, 2023.

24.13 In case of CSML its Subsidiaries, commitments in respect of :

	Un-audited	Audited
	March 31,	Sep. 30,
	2024	2023
	(Rupees in thousand)	
- foreign letters of credit for purchase of plant & machinery	8,104	0
- local letters of credit for purchase of plant & machinery	191,532	143,681
- capital expenditure other than for letters of credit	<u>27,678</u>	<u>14,386</u>

25. Operating segment

The Holding Company's reportable segments are as follows:

- Sugar
- Distillery

25.1 Segment operating results of the Holding Company for the six month period ended March 31, 2024

	Sugar Division		Ethanol Division		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Sales	511,532	304,212	0	63,879	511,532	368,091
- Local	0	0	0	0	0	638,774
- Export	511,532	304,212	0	702,653	511,532	1,006,865
Less : sales tax	78,030	44,634	0	9,329	78,030	53,963
Sales - net	433,502	259,578	0	693,324	433,502	952,902
Cost of sales	(680,915)	(282,684)	(43,200)	(472,039)	(724,115)	(754,723)
Gross (loss) / profit	(247,413)	(23,106)	(43,200)	221,285	(290,613)	198,179
Distribution cost	2,516	(2,794)	0	(25,599)	(2,516)	(28,393)
Administrative expenses	(74,165)	(49,577)	0	(74,165)	(74,165)	(49,577)
(Loss) / profit from operations (segment results)	(319,062)	(75,477)	(43,200)	195,686	(367,294)	120,209
Other income	92,917	0	0	0	92,917	26,023
Other expenses	92,917	0	0	0	92,917	(19,146)
Finance cost	(274,377)	0	(122,267)	0	(274,377)	127,086
(Loss) / profit before income tax, minimum tax and final tax levies	(396,644)	0	(396,644)	0	(396,644)	44,590
Minimum and final tax levies	(15,748)	0	(15,748)	0	(15,748)	(12,212)
(Loss) / profit before income tax	(412,392)	0	(412,392)	0	(412,392)	32,378
Deferred taxation	114,137	0	114,137	0	114,137	(14,420)
(Loss) / profit after taxation	(298,255)	0	(298,255)	0	(298,255)	17,958
Assets	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Liabilities	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Sugar	4,161,239	3,037,516	2,934,167	1,186,651	4,161,239	3,037,516
Ethanol	515,959	218,445	21,529	21,553	515,959	218,445
Total for reportable segment	4,697,198	3,249,961	2,955,696	1,210,204	4,697,198	3,249,961

25.2 Segment operating results of CML and its Subsidiaries for the six month period ended March 31, 2024 (un-audited)

	Ethanol Division						Sugar Division					
	Six month period ended March 31, 2024		Six month period ended March 31, 2023		Six month period ended March 31, 2024		Six month period ended March 31, 2023		Six month period ended March 31, 2024		Six month period ended March 31, 2023	
Sales	4,121,608	6,089,915	8,362,625	8,805,906	2,093,471	2,484,406	4,451,842	3,819,598	5,934,841	8,574,321	14,314,874	12,625,504
Less : Sales tax and others	(666,264)	(808,273)	(1,372,700)	(1,166,541)	(60,036)	(24,242)	(80,101)	(51,060)	(726,300)	(832,513)	(1,452,801)	(1,217,601)
Sales - net	3,455,344	5,281,642	6,989,925	7,639,367	2,033,435	4,460,164	3,739,498	3,768,538	7,808,541	7,741,818	11,162,073	11,407,903
Cost of sales	(3,522,905)	(5,035,174)	(6,613,926)	(7,576,808)	(1,741,257)	(1,546,345)	(3,342,404)	(2,353,711)	(4,736,539)	(6,581,519)	(11,281,096)	(9,930,519)
Gross profit	619,703	1,054,741	1,748,699	1,229,098	352,214	938,061	1,109,438	1,465,887	1,198,002	3,033,778	2,694,985	2,694,985
Selling and distribution expenses	(16,630)	(27,439)	(27,439)	(34,250)	(213,641)	(85,409)	(173,430)	(140,881)	(298,444)	(254,984)	(598,188)	(474,789)
Administrative and general expenses	(213,035)	(184,588)	(424,758)	(345,595)	(85,409)	(70,396)	(173,430)	(140,881)	(298,444)	(254,984)	(598,188)	(474,789)
Net impairment losses on financial assets	0	0	0	0	0	0	0	0	0	0	0	0
Others	(229,665)	(343,568)	(452,196)	(513,973)	(299,050)	(285,672)	(612,586)	(481,419)	(576,360)	(660,296)	(1,175,746)	(1,052,832)
Profit from operations	390,038	711,173	1,296,503	715,125	53,164	652,389	496,852	984,468	621,942	1,322,506	1,858,032	1,642,153
Other income	65,666	68,174	108,498	73,598	2,835	1,588	3,928	2,651	68,501	69,762	112,426	76,249
Other expenses	44,061	0	(39,825)	(45,580)	0	0	0	0	44,061	(39,825)	(10,118)	(45,880)
Segment results	109,727	28,349	98,300	28,018	2,835	1,588	3,928	2,651	113,103	29,831	102,849	30,945
Finance cost	499,765	739,522	1,394,883	743,143	55,999	653,977	500,780	987,119	1,362,337	1,960,881	1,673,098	1,673,098
(Loss) / profit before revenue tax and income tax	(389,038)	(711,173)	(1,296,503)	(715,125)	(53,164)	(652,389)	(496,852)	(984,468)	(621,942)	(1,322,506)	(1,858,032)	(1,642,153)
Taxation (expense) / credit	173,185	(117,683)	99,451	(78,175)	173,185	(117,683)	99,451	(78,175)	173,185	(117,683)	99,451	(78,175)
(Loss) / profit for the period	(215,853)	(593,492)	(1,197,052)	(593,178)	(326,349)	(535,704)	(397,403)	(1,062,643)	(448,757)	(1,214,987)	(1,757,583)	(1,720,353)

25.3 Segment assets and liabilities

	Un-audited March 31, 2024 (Rupees in thousand)		Audited September 30, 2023 (Rupees in thousand)	
	Assets	Liabilities	Assets	Liabilities
Sugar	36,618,571	26,391,791	24,583,109	15,877,806
Ethanol	9,937,386	6,474,870	7,367,338	1,942,447
Total for reportable segment	46,555,957	32,866,661	31,950,447	17,820,253
Others	5,197,601	3,923,140	1,747,203	1,271,924
Total assets / liabilities	51,753,558	36,789,801	33,697,650	19,092,177

26. Transactions with related parties

The Group has related party relationship with its Associated Companies, employee benefit plans, directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with related parties during the period were as follows:

	Un-audited Six month period ended March 31, 2024 (Rupees in thousand)	Un-audited Six month period ended March 31, 2023 (Rupees in thousand)
The Holding Company		
Associated Companies		
Purchase of store items	14,927	13,157
Expenses paid on behalf of the Holding Company	0	7,281
Key management personnel		
Salaries and other benefits	16,409	3,834
CSML and its Subsidiaries		
Associated Undertakings		
Services	26,522	18,333
Expenses paid by Associated Companies	1,293	404
Purchase of goods	220,513	256,941
Dividend paid	26,977	0
Mark-up charged	20,890	18,758
Post employment benefit		
Expense charged in respect of retirement benefit plan	19,543	15,586
Key management personnel / Directors		
Salaries and other benefits	114,166	90,514
Dividend paid	28,721	0

27. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

These interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual financial statements as at and for the year ended September 30, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended September 30, 2023.

Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

28. Corresponding figures

The comparative condensed interim consolidated statement of financial position presented in these interim consolidated financial statements has been extracted from the audited consolidated financial statements of the Group for the year ended September 30, 2023, whereas the comparative condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows have been extracted from the un-audited condensed interim consolidated financial statements for the period ended March 31, 2023.

29. Date of authorisation for issue

These condensed interim consolidated financial statements have been authorised for issue by the Board of Directors of the Holding Company on May 27, 2024.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER